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Federal Communications Commission
445 12th Street, S.W.
Washington, D. C. 20554

This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See MCI v. FCC, 515 F.2d 385 (D.C. Cir. 1974).

FOR IMMEDIATE RELEASE:
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News Media Contact:
Rosemary Kimball at (202) 418-0511

FCC CONCLUDES CUSTOMERS FOR DIRECT ACCESS TO INTELSAT SATELLITE FACILITIES DO NOT HAVE SUFFICIENT ACCESS OPPORTUNITIES; ORDERS COMSAT TO ENTER INTO DISCUSSIONS ON ACCESS WITH POTENTIAL CUSTOMERS

Washington, DC -- The FCC has concluded that customers for direct access to INTELSAT facilities do not have sufficient access opportunities and has ordered Comsat, the U.S. Signatory to INTELSAT, to enter into discussions on access with potential customers.

The Commission took this action pursuant to Section 641 of the Communications Satellite Act of 1962 (Satellite Act), as amended by the Open-Market Reorganization for the Betterment of International Telecommunications Act (ORBIT Act). Section 641 directs the Commission to determine whether "users or providers of telecommunications services have sufficient opportunity to access INTELSAT space segment capacity directly from INTELSAT to meet their service or capacity requirements." Section 641 also requires the Commission to take "appropriate action to facilitate such direct access" if sufficient opportunity to access INTELSAT capacity does not exist.

The Commission concluded that direct access users do not currently have "sufficient opportunity" for direct access because most of INTELSAT's current U.S.-accessible capacity is committed to Comsat Corporation (Comsat), the U.S. Signatory to INTELSAT, or to other INTELSAT Signatories. In addition, much of INTELSAT's uncommitted capacity is fragmented into small amounts of bandwidth among many satellites, diminishing its usefulness to U.S. direct access users from a customer requirements standpoint. INTELSAT plans to launch new satellites and to redeploy existing satellites to make more capacity available by 2003. However, the Commission said it was unable to determine whether there will be sufficient opportunity for direct access in the future because Comsat can renew the contracts covering the capacity under its control. Furthermore, most of the new capacity will apparently be concentrated at three orbital locations. The Commission found that it is unclear from the record whether capacity at those locations will meet the needs of direct access users.

To carry out the requirements of the ORBIT Act, the Commission required Comsat to enter into negotiations with direct access customers to attempt to negotiate mutually agreeable arrangements. The Commission also required parties to such negotiations to report back by March 13, 2001 on the progress of those negotiations. The Commission directed the

International Bureau to consult with INTELSAT to explore ways of resolving procedural difficulties that may exist for direct access users to obtain non-Comsat capacity to operate with their foreign correspondents. Finally, the Commission noted that it may adopt a "regulatory solution" if the parties cannot reach negotiated agreements. The Commission has not foreclosed any regulatory option at this time.

Action by the Commission by Report and Order, September 13, 2000 (FCC 00-340).
Chairman Kennard, Commissioners Ness, Furchtgott-Roth, Powell, and Tristani.

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International Bureau Contact: Steven Spaeth (Satellite and Radiocommunication
Division): (202) 418-1539.